

Bank Notes

A Newsletter for Michigan Lenders

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SBA's New **Patriot Express** Loan Initiative

As an SBA lender, here's an opportunity to join with others expressing thanks to our military community members safeguarding America's freedoms by increasing opportunities for them to start or expand small businesses.

Called **Patriot Express**, this pilot initiative integrates all of SBA's programs and services to veterans and members of the military community. **Patriot Express** targets those in the military community who want to establish or expand small businesses including:

- Veterans
- Service-disabled veterans
- Active-duty service members eligible for the military's Transition Assistance Program
- Reservists and National Guard members
- Current spouses of any of the above
- The widowed spouse of a service member or veteran who died during service or of a service-connected disability

Patriot Express loans may go up to \$500,000 and qualify for SBA's maximum guaranty of up to 85 percent for loans of \$150,000 or less and up to 75 percent for loans above \$150,000 to \$500,000. For loans above \$350,000, lenders will be required to take all collateral available.

As with SBAExpress loans, **Patriot Express** will use a streamlined, centralized, and expedited SBA loan process relying heavily on ETran and electronic applications, which results in an almost immediate SBA response.

Interest rates for **Patriot Express** loans range from 2.25 percent to 4.75 percent over prime depending upon the size and maturity of the loan.

And just as with SBAExpress loans, you can use your own paperwork which should reduce processing costs. Any lender which has been approved for SBAExpress or the Preferred Lender Program may make **Patriot Express** loans. SBA will begin processing requests for loan guarantees under **Patriot Express** on June 28.

But **Patriot Express** is much more than just a loan guaranty. SBA and its resource partners will assist Patriot Express applicants with:

- Writing a business plan
- Managing the business
- Expanding the business
- Obtaining financing
 - Loans to start or expand small business
 - Major fixed-asset loans to purchase land and buildings
 - Surety bond guarantees for small and minority construction contractors
- Contracting opportunities
- Equity financing matching venture capitalists with your small business.
- Export assistance programs to help your business be part of the global economy

SBA Michigan District Office personnel and resource partners like SCORE, Counselors to America's Small Business; the Michigan Small Business and Technology Development Centers; Women's Business Centers; and VetBizCentral can help applicants decide if an idea is feasible, assist in creating a business plan, help with credit applications, and give valuable advice on how to make a successful businesses.

According to figures from the SBA, U.S. Census Bureau and the Government Accountability Office, approximately 4 million veterans own small businesses, and approximately 13 percent of Reservists in the private labor market are small business owners. Research also shows that nearly 22 percent of service members leaving the military consider starting small businesses.

More information about the **Patriot Express** Initiative will be posted at www.sba.gov/patriotexpress or contact the Michigan District Office at 313.226.6075 or our Web page at www.sba.gov/localresources/district/mi/mi_lenderspage.html.